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DEPARTMENT OF COMMERCE

International Trade Administration

(A-570-851)

Certain Preserved Mushrooms from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2015-2016

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on certain preserved mushrooms from the People's Republic of China (the PRC). The period of review (POR) is February 1, 2015, through January 31, 2016. The Department preliminarily determines that, during the POR, one mandatory respondent, Dezhou Kaihang Agricultural Science Technology Co. Ltd. (Dezhou Kaihang) did not sell subject merchandise below normal value (NV). We also preliminarily determine that the other mandatory respondent, Linyi City Kangfa Foodstuff Drinkable Co., Ltd. (Kangfa) has not demonstrated its eligibility for a separate rate and is, therefore, part of the PRC-wide entity. We preliminarily determine that the following companies had no reviewable shipments during the POR: (1) Zhangzhou Hongda Import & Export Trading Co., Ltd. (Hongda); and (2) Zhangzhou Gangchang Canned Foods Co., Ltd., Fujian and Zhangzhou Gangchang Canned Foods Co., Ltd. (collectively, Gangchang). Finally, we preliminarily find that the remaining 98 companies under review did not demonstrate their eligibility for a separate rate and are part of the PRC-wide entity. Interested parties are invited to comment on these preliminary results.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*.]

FOR FURTHER INFORMATION CONTACT: Michael J. Heaney, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4475.

### Background

On February 19, 1999, the Department published in the *Federal Register* the antidumping duty order on certain preserved mushrooms from the PRC.<sup>1</sup> On February 3, 2016, the Department published in the *Federal Register* an opportunity to request an administrative review of the *Order*.<sup>2</sup> On April 7, 2016, the Department published in the *Federal Register* a notice of initiation of this review, covering 103 separately-named companies.<sup>3</sup> On June 17, 2016, the Department selected Dezhou Kaihang and Kangfa as mandatory respondents and issued antidumping questionnaires to these companies.<sup>4</sup> Dezhou Kaihang timely submitted questionnaire responses, but Kangfa did not respond to the Department's request for information.

### Scope of the Order

The products covered by this order are certain preserved mushrooms. The merchandise subject to this order is classifiable under subheadings: 2003.10.0127, 2003.10.0131, 2003.10.0137, 2003.10.0143, 2003.10.0147, 2003.10.0153, and 0711.51.0000 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided

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<sup>1</sup> See *Notice of Amendment of Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Preserved Mushrooms from the People's Republic of China*, 64 FR 8308 (February 19, 1999) (the *Order*).

<sup>2</sup> See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 81 FR 5712 (February 3, 2016).

<sup>3</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 81 FR 20324 (April 7, 2016) (*Initiation Notice*).

<sup>4</sup> See Memorandum entitled, "Administrative Review of the Antidumping Duty Order on Certain Preserved Mushrooms from the People's Republic of China," dated June 17, 2016.

for convenience and Customs purposes, the written description of the scope of this order is dispositive.<sup>5</sup>

#### Preliminary Determination of No Shipments

Two companies that received a separate rate in previous segments of the proceeding and are subject to this review, Hongda and Gangchang,<sup>6</sup> certified that they did not have any exports of subject merchandise during the POR.<sup>7</sup> We requested that U.S. Customs and Border Protection (CBP) report any contrary information regarding these certifications.<sup>8</sup> To date, we have received no evidence that these companies had any shipments of the subject merchandise sold to the United States during the POR. Further, consistent with our practice, we find that it is not appropriate to rescind the review with respect to these companies but, rather, to complete the review and issue appropriate instructions to CBP based on the final results of review.<sup>9</sup>

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<sup>5</sup> For a complete description of the scope of the order, see Memorandum from James Maeder, Senior Director, Office I, for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, “Certain Preserved Mushrooms from the People’s Republic of China: Decision Memorandum for Preliminary Results of Antidumping Duty Administrative Review; 2015-2016,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<sup>6</sup> In the company certification of no shipments, the names “Zhangzhou Gangchang Canned Foods Co., Ltd., Fujian” and “Zhangzhou Gangchang Canned Foods Co., Ltd.” are used interchangeably. When a similar issue arose during an earlier new shipper review, counsel clarified that the correct name of the company is “Zhangzhou Gangchang Canned Foods Co., Ltd., Fujian.” See *Certain Preserved Mushrooms from the People’s Republic of China: Preliminary Results of Antidumping Duty New Shipper Reviews* 74 FR 14772 (April 1, 2009) unchanged at *Certain Preserved Mushrooms from the People’s Republic of China: Final Results of Antidumping Duty New Shipper Reviews* 74 FR 28882 (June 18, 2009). Nonetheless, in a subsequent administrative review, we identified the company as “Zhangzhou Gangchang Canned Foods Co., Ltd.” See *Certain Preserved Mushrooms from the People’s Republic of China: Final Results of Administrative Review*, 80 FR 32355 (June 8, 2015). In light of this interchangeable treatment, to avoid any confusion, we are including both name variations in our preliminary finding of no shipments.

<sup>7</sup> See Letters from Zhangzhou Gangchang Canned Foods Co., Ltd., and Zhangzhou Hongda Import & Export Trading Co., Ltd., dated May 6, 2016. One additional company, Zhejiang Jinhua Jinli Mushroom Co., Ltd., also filed a no-shipment certification; however, because this company did not have a separate rate in previous segments of this proceeding and did not submit a separate rate application, we have continued to include this company in the PRC-wide entity.

<sup>8</sup> See CBP message numbers 7047304 and 7047303, dated February 16, 2016.

<sup>9</sup> See, e.g., *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694, 65694-95 (October 24, 2011).

## Separate Rates

The Department preliminarily determines that the information placed on the record by Dezhou Kaihang demonstrates that Dezhou Kaihang is entitled to separate rate status.<sup>10</sup> No other parties submitted separate rate information in this review.

## PRC-Wide Entity

The Department's change in policy regarding conditional review of the PRC-wide entity applies to this administrative review.<sup>11</sup> Under this policy, the PRC-wide entity will not be under review unless a party specifically requests, or the Department self-initiates, a review of the entity. Because no party requested a review of the PRC-wide entity in this review, nor did the Department self-initiate a review of the PRC-wide entity, the entity is not under review and the entity's rate (*i.e.*, 308.33 percent) is not subject to change.<sup>12</sup> Aside from Dezhou Kaihang and the no shipments companies discussed above, the Department considers all other companies for which a review was requested (which did not file a separate rate application or separate rate certification) to be part of the PRC wide entity.<sup>13</sup>

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<sup>10</sup> See Preliminary Decision Memorandum, at "Discussion of the Methodology" section.

<sup>11</sup> See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963 (November 4, 2013).

<sup>12</sup> See, *e.g.*, *Certain Preserved Mushrooms from the People's Republic of China; Final Results of Antidumping Duty Administrative Review; 2013–2014; and Partial Rescission of Review* 80 FR 32355, 32357 (June 8, 2015).

<sup>13</sup> See *Initiation Notice*, 81 FR at 20325 ("All firms listed below that wish to qualify for separate rate status in the administrative reviews involving NME countries must complete, as appropriate, either a separate rate application or certification, as described below."). Companies that are subject to this administrative review that are considered to be part of the PRC-wide entity are: 1) Agrogenra & Co., Ltd., 2) Ayecue (Liaocheng) Foodstuff Co., Ltd., 3) Blue Field (Sichuan) Food Industrial Co., Ltd., 4) Cargo Services (China) Limited, 5) Casia Global Logistics Co., Ltd., 6) Changzhou Chen Rong-Da Carpet Co., Ltd., 7) Chaoda Mushroom Co., Ltd., 8) China National Cereals, Oil & Foodstuffs Import & Export Corp., 9) China Processed Food Import & Export Co., 10) Dalian New Century Food Co., Ltd., 11) DHL ISC (Hong Kong) Limited, 12) DSV Air Sea Co., Ltd., 13) Dujiangyan Xingda Foodstuff Co., Ltd., 14) Ever Since Group Co., Ltd., 15) Fujian Blue Lake Foods Co., Ltd., 16) Fujian Golden Banyan Foodstuffs Industrial Co., Ltd., 17) Fujian Haishan Foods Co., Ltd., 18) Fujian Pinghe Baofeng Canned Foods, 19) Fujian Tongfa Foods Group Co., Ltd., 20) Fujian Yuxing Fruits and Vegetables Foodstuffs Development Co., Ltd., 21) Fujian Zishan Group Co., Ltd., 22) Golden Banyan Foodstuffs Industry Co., Ltd., 23) Guangxi Eastwing Trading Co., Ltd., 24) Guangxi Hengyong Industrial & Commerical Dev. Ltd., 25) Guangxi Jisheng Foods, Inc., 26) Hangzhou Happy Green Co., Ltd., 27) Hoa Mai Food Company Limited, 28) Honour Lane Shipping Ltd., 29) Inter-Foods (Dongshan) Co., Ltd., 30) Jeenuat Foodstuffs Industries Sdn. Bhd., 31) Jewell International Corporation, 32)

## Methodology

The Department is conducting this review in accordance with section 751(a)(1)(B) of the Act. For Dezhou Kaihang, export price was calculated in accordance with section 772(a) of the Act. Because the PRC is a non-market economy within the meaning of section 771(18) of the Act, normal value was calculated in accordance with section 773(c) of the Act. Because Kangfa did not demonstrate its eligibility for a separate rate, we treated it as part of the PRC-wide entity.

For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. The Preliminary Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision

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Jiangxi Cereals Oils Foodstuffs, 33) Jin Feng Food Co., Ltd., 34) Joy Foods (Zhangzhou) Co., Ltd., 35) Kuehne & Nagel Limited Xiamen Branch, 36) LF Logistics Co., Ltd., 37) Kangfa, 38) Linyi Yuqiao International Trade Co., Ltd., 39) Logistics THL Corp., 40) Longhai Guangfa Food Co., Ltd., 41) Mikado Food China Co., Ltd., 42) Nam Phuong International Co., Ltd., 43) Nam Tien Production & Export Co., Ltd., 44) Omni Ringo Business Ltd., 45) OOCL Logistics Ltd., 46) Orient Express Container Co., Ltd., 47) Paifu Enterprise Corporation, 48) Panalpina World Transport (PRC) Ltd., 49) Philippine Haofeng Food Corporation, 50) Primera Harvest (Xiangfan) Co., Ltd., 51) PT. Apex Maritim Indonesia, 52) PT. Eka Timur Raya (Etira Mushrooms), 53) PT. Suryajaya Abadi Perkasa, 54) Pudong Prime International Logistics Inc., 55) Seahorse Shipping Corporation, 56) Shandong Fengyu Edible Fungus Corporation Ltd., 57) Shandong Jiufa Edible Fungus Corporation, Ltd., 58) Shandong Xinfu Agricultural Science Corporation Ltd., 59) Shandong Yinfeng Rare Fungus Corporation, Ltd., 60) Shanghai Best Wholesome Economy & Trade Co., Ltd., 61) Shenzhen Syntrans International Logistics Co., Ltd., 62) Shouguang Sunrise Industry & Commerce Co., Ltd., 63) Shundi Foods Co., Ltd., 64) Speedier Logistics Co., Ltd., 65) Success Program International Transport J. S.C., 66) Sun Mark Industrial Corp., 67) Sun VN Transport Corp., 68) Sun Wave Trading Co., Ltd., 69) Sun Wave & Trading Co., Ltd., 70) Sunrise Food Industry & Commerce, 71) Thuy Duong Transport and Trading Service JSC, 72) Tianjin Fulida Supply Co., Ltd., 73) Woo Sun Food Factory Co., 74) Xiamen Aukking Imp. & Exp. Co., Ltd., 75) Xiamen Carre Food Co., Ltd., 76) Xiamen Choice Harvest Imp., 77) Xiamen Greenland Import & Export Co., Ltd., 78) Xiamen Gulong Imp. & Exp. Co., Ltd., 79) Xiamen Gulong Import & Export Co., Ltd., 80) Xiamen Huamin Import & Export Co., Ltd., 81) Xiamen International Trade & Industrial Co., Ltd., 82) Xiamen Jiahua Import & Export Trading Co., Ltd., 83) Xiamen Lian Fang Industry Co., Ltd., 84) Xiamen Longstar Lighting Co., Ltd., 85) Xiamen Longhuai Import & Export Co., Ltd., 86) Xiamen Sungiven Import & Export Co., Ltd., 87) Zhangzhou Golden Banyan Foodstuffs Industrial Co., Ltd., 88) Zhangzhou Long Mountain Foods Co., Ltd., 89) Zhangzhou Longhai Minhui Industry & Trade Co. Ltd., 90) Zhangzhou Tan Co. Ltd. Fujian, China, 91) Zhangzhou Tan Co., Ltd., 92) Zhangzhou Tongfa Foods Industry Co., Ltd., 93) Zhangzhou Xiangcheng Rainbow & Greenland Food Co., Ltd., 94) Zhangzhou Yuxing Imp. & Exp. Trading Co., Ltd., 95) Zhangzhou Yuxing Import & Export Trading Co., Ltd., 96) Zhejiang Jinhua Jinli Mushroom Co., Ltd., 97) Zhejiang Iceman Food Co., Ltd., 98) Zhejiang Iceman Group Co., Ltd., and 99) Zhongshan Magic Foodstuff Co., Ltd.

Memorandum can be accessed directly on the internet at

<http://enforcement.trade.gov/frn/index.html>.

#### Preliminary Results of Review

The Department preliminarily determines that the following weighted-average dumping margin exists:

<u>Exporter</u>	<u>Weighted-Average Dumping Margin (percent)</u>
Dezhou Kaihang Agricultural Science Technology Co. Ltd.	0.00

#### Disclosure and Public Comment

The Department intends to disclose calculations performed for these preliminary results to the parties within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Interested parties may submit case briefs no later than 30 days after the date of publication of these preliminary results of review.<sup>14</sup> Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.<sup>15</sup> Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than five days after the cases briefs are filed.<sup>16</sup>

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety by the Department's ACCESS by 5:00 p.m. Eastern Time within 30 days after the

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<sup>14</sup> See 19 CFR 351.309(c)(1)(ii).

<sup>15</sup> See 19 CFR 351.309(c)(2).

<sup>16</sup> See 19 CFR 351.309(d).

date of publication of this notice.<sup>17</sup> Hearing requests should contain (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. Unless extended, the Department intends to issue the final results of this review, including the results of its analysis of issues raised by parties in their comments, within 120 days after the publication of these preliminary results, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1).

#### Assessment Rates

Upon issuing the final results of review, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review.<sup>18</sup> If Dezhou Kaihang's weighted-average dumping margin is above *de minimis* (i.e., 0.5 percent) in the final results of this review, we will calculate an importer-specific assessment rate on the basis of the ratio of the total amount of dumping calculated for the importer's examined sales and the total entered value of those sales in accordance with 19 CFR 351.212(b)(1). Specifically, the Department will apply the assessment rate calculation method adopted in *Final Modification for Reviews*.<sup>19</sup> Where an importer-specific *ad valorem* rate is zero or *de minimis*, we will instruct CBP to liquidate appropriate entries without regard to antidumping duties.<sup>20</sup>

For entries that were not reported in the U.S. sales databases submitted by exporters individually examined during this review, the Department will instruct CBP to liquidate such entries at the PRC-wide rate. In addition, if the Department determines that an exporter under review had no shipments of the subject merchandise, any suspended entries that entered under

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<sup>17</sup> See 19 CFR 351.310(c).

<sup>18</sup> See 19 CFR 351.212(b)(1).

<sup>19</sup> See *Antidumping Proceeding: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8103 (February 14, 2012) (*Final Modification for Reviews*).

<sup>20</sup> See 19 CFR 351.106(c)(2).

that exporter's case number (*i.e.*, at that exporter's rate) will be liquidated at the PRC-wide rate of 308.33 percent.<sup>21</sup> The Department intends to issue appropriate assessment instructions directly to CBP 15 days after publication of the final results of review.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for shipments of the subject merchandise from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Act: (1) for subject merchandise exported by Dezhou Kaihang, the cash deposit rate will be that established in the final results of review (except, if the rate is zero or *de minimis*, then the cash deposit rate will be zero for that exporter); (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that received a separate rate in a prior segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific rate; (3) for all PRC exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be that for the PRC-wide entity; and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporter that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement

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<sup>21</sup> See *Certain Preserved Mushrooms from the People's Republic of China; Final Results of Antidumping Duty Administrative Review; 2013-2014; and Partial Rescission of Review*, 80 FR 32355, 32357 (June 8, 2015).



could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

We are issuing and publishing these preliminary results in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213.

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Ronald K. Lorentzen  
Acting Assistant Secretary  
for Enforcement and Compliance

February 28, 2016

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Date

## Appendix

### List of Topics Discussed in the Preliminary Decision Memorandum

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